

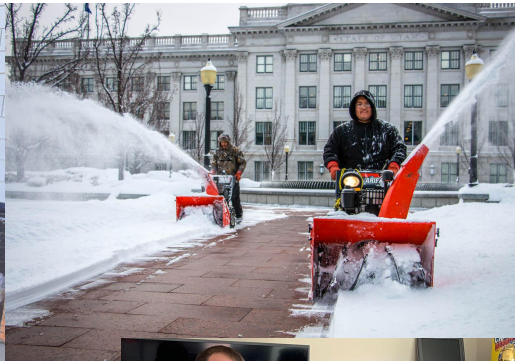


utah  
**govops**  
UTAH DEPARTMENT OF GOVERNMENT OPERATIONS

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# FY23 Budget Presentation Part 1











# Department Values



## **Customer Service**

DGO provides support and solutions to help clients solve problems in an efficient, innovative, and "customer friendly" way.

## **Public Service**

DGO members impact the quality of life of Utah's citizens by helping its customer agencies fulfill their missions.

## **Peer-to-Peer Service**

DGO fosters a climate of teamwork, collaboration, and interdependence and rejects the "it's not my job" mentality.



## **Purpose and Meaning**

DGO professionals understand how their work is aligned to organizational purpose and goals that produce public value.

## **Empowerment**

DGO employees have the resources, information, and self-efficacy needed to make decisions about how their work gets done and problems get solved.

## **Belonging**

DGO creates a positive environment in which every person feels valued, respected, appreciated, and supported.



## **Results**

DGO continuously generates measurable, value-added results.

## **Clarity**

DGO provides clear expectations for what is required of employees to be successful in their work.

## **Growth**

DGO employees receive coaching, regular feedback, recognition, and opportunities for professional development.



## **Transparency**

DGO champions transparency and psychological safety with open, two-way communication that invites differing perspectives.

## **Integrity**

DGO members hold themselves to the highest ethical standards, acting with integrity and honesty.

## **Credibility**

DGO maintains credibility with its stakeholders through competence, expertise, and the professionalism of its members.





# Who We Are



Marilee Richins  
Deputy Director



Chris Hughes  
Deputy Director



Mike Broschinsky  
Office of Administrative  
Rules



Ken Williams  
Division of Archives &  
Records Services



Jim Russell  
Division of Facilities  
Construction & Management



Janica Gines  
Division of Finance



Cory Weeks  
Division of Fleet Operations



John Barrand  
Division of Human Resource  
Management



Windy Aphayrath  
Division of Purchasing &  
General Services



Brian Nelson  
Division of Risk Management



Alan Fuller  
Division of Technology  
Services





# Office of Administrative Rules

The Office of Administrative Rules enables citizen participation in their own government by supporting agency rulemaking and ensuring agency compliance with the Utah Administrative Rulemaking Act.

Services:

- Document Filing
- Publication of Filings
- Publication of Rules
- Rulemaking Training
- Agency Rule Notifications



## *Administrative Rules Affect You!*

### WHO MAKES UTAH'S ADMINISTRATIVE RULES?



"Agency" means each state board, authority, commission, institution, department, division, officer, or other state government entity other than the Legislature, its committees, the political subdivisions of the state, or the courts, which is authorized or required by law to make rules, adjudicate, grant or withhold licenses, grant or withhold relief from legal obligations, or perform other similar actions or duties delegated by law. (Utah Code, Title 63G, Chapter 3, Part 1 as of August 15, 2018)

To learn how to participate in Utah's administrative rulemaking process go to [rules.utah.gov/participate](https://rules.utah.gov/participate)



# Division of Archives & Records Services

The purpose of the State Archives is to assist Utah government agencies in the efficient management of their records, to preserve those records of enduring value, and to provide quality access to public information.

## Services:

- Records management and archival standards
- Records and information management consultation
- GRAMA records access
- Records center
- Archives
- Reformatting services
- Open and Public Meetings/Public Notices
- Support for the Records Management Committee
- Support for the State Records Committee
- Support for the Utah State Historical Records Advisory Board





# Division of Facilities & Construction Management

DFCM provides professional services to assist State entities in meeting their facility needs for the benefit of the public.

## Services:

- Facilities maintenance
- Construction management
- Energy efficiency program
- Real estate
- Building Official



## 1981

The Utah Division of Facilities Construction and Management (DFCM) was established in 1981 along with the rest of the Utah Department of Administrative Services (DAS).

## 190

DFCM is comprised of 190 full-time employees across the State who maintain state-owned buildings, manage construction projects, inspect buildings, facilitate real-estate acquisitions and manage leases, and provide a range of other support services.

## 3,785

DFCM has jurisdiction over 3,785 buildings across the State. These include state agency buildings; all of higher ed which includes universities, community colleges, and technology colleges; and the Utah State Fair Park. These buildings have a combined estimated value of over 12 billion dollars.



# Division of Finance

The Division of Finance provides fiscal leadership and quality financial systems, processes, and information to state agencies and Utah residents.

## Services:

- Accounting operations
- State payroll
- Financial reporting
- Financial information systems
- State debt collections
- State travel/p-card





# Division of Fleet Operations

The Division of Fleet manages the vehicle fleet for the State of Utah, maintains all state-owned fuel storage tanks, and provides a low-cost fueling alternative.

## Services:

- Motor pool
- State fuel network





# Division of Human Resource Management

The Division of Human Resource Management partners with state agencies to create excellent human capital strategies, and attract and utilize human resources to effectively meet mission requirements with ever-increasing efficiency and the highest degree of integrity.

## Services:

- Classification / Compensation
- Employee Relations
- HR Transactions
- Recruitment
- Retirement Leave Payouts
- Consultation Services (Center for Excellence)



Benefits that make working for the State of Utah awesome!

<b>Annual/Sick Leave</b> <b>104 HOURS</b> annual leave and 104 hours sick leave per year accrued at 4 hours per pay period for full time benefitted employees. Annual leave increases with years of service, sick leave does not.	<b>Holidays</b> <b>11</b> Paid Holidays	<b>Voluntary &amp; Misc. Benefits</b> They may include but are not limited to: <ul style="list-style-type: none"><li>• Basic term life insurance</li><li>• AD&amp;D insurance</li><li>• LTD insurance</li><li>• Optional STD insurance</li><li>• Life counseling</li><li>• Discounted home and auto insurance</li><li>• Discount legal services</li><li>• Discounts from vendors in these categories: automotive, education, event tickets/vacations, mortgage/realty, and phone services</li></ul>
<b>Medical+Dental+Vision</b> potential cash conversion <b>3 MEDICAL PLANS</b> HDHP as low as \$5 per pay period; HSA contribution up to \$1,915 annually; Traditional plan as low as \$25 per pay period <b>5 DENTAL PLANS</b> Two HSA plans \$0 per pay period; Traditional plans as low as \$2 per pay period <b>4 VISION PLANS</b> premiums as low as \$3.00 per pay period	<b>Retirement</b> Employer contributes an amount equal to <b>10%-14%</b> of your salary between both a pension and 401K or to a 401K only. Additionally, any eligible employee who contributes to a 401K, 457 or IRA will receive a match from the State of Utah. *14% for public safety employees 10% for all other public employees	<b>Agency Specific</b> Some agencies will have additional benefits specific to that particular agency. Such benefits include but are not limited to: <ul style="list-style-type: none"><li>• Educational assistance</li><li>• UTA passes</li><li>• Flexible work schedules</li></ul>

To apply visit [statejobs.utah.gov](https://statejobs.utah.gov)  
Effective 7/1/2021 or the fiscal year FY22

Division of Human Resource Management



# Division of Purchasing & General Services

The Division of Purchasing & General Services is divided between Purchasing, which provides purchasing and contract oversight for all State Cooperative and agency contracts, and General Services, which consists of State Mail and Distribution Services, Print Services and the Surplus Property Program.

## Services:

- Contract oversight
- Procurement
- Mail & distribution services
- Print services
- Surplus property





# Division of Risk Management

The Division of Risk Management provides property, liability, and auto insurance coverage, claims administration, and loss control services to the participating insureds of the Risk Management Fund. Among those insureds are all state agencies, all public school districts, all public institutions of higher education, and many of the public charter schools.

## Services:

- Property, liability, auto coverage
- Certificate of insurance
- Claims administration
- Loss control
- Workers' Compensation coverage



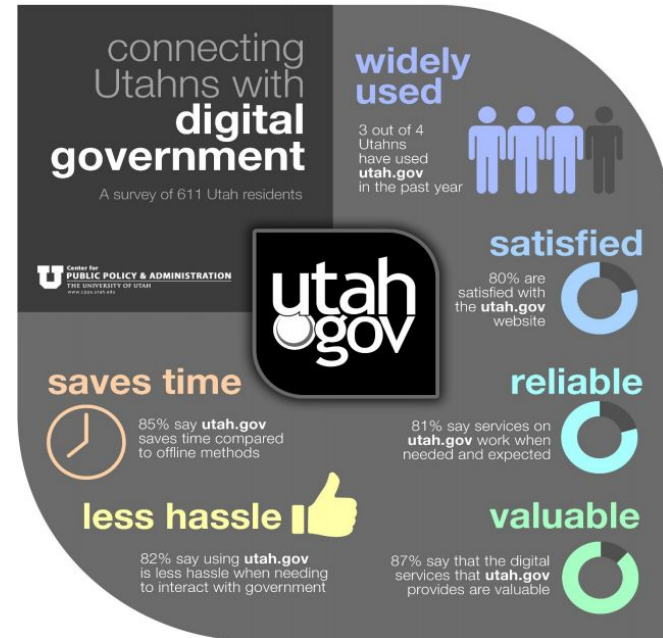


# Division of Technology Services

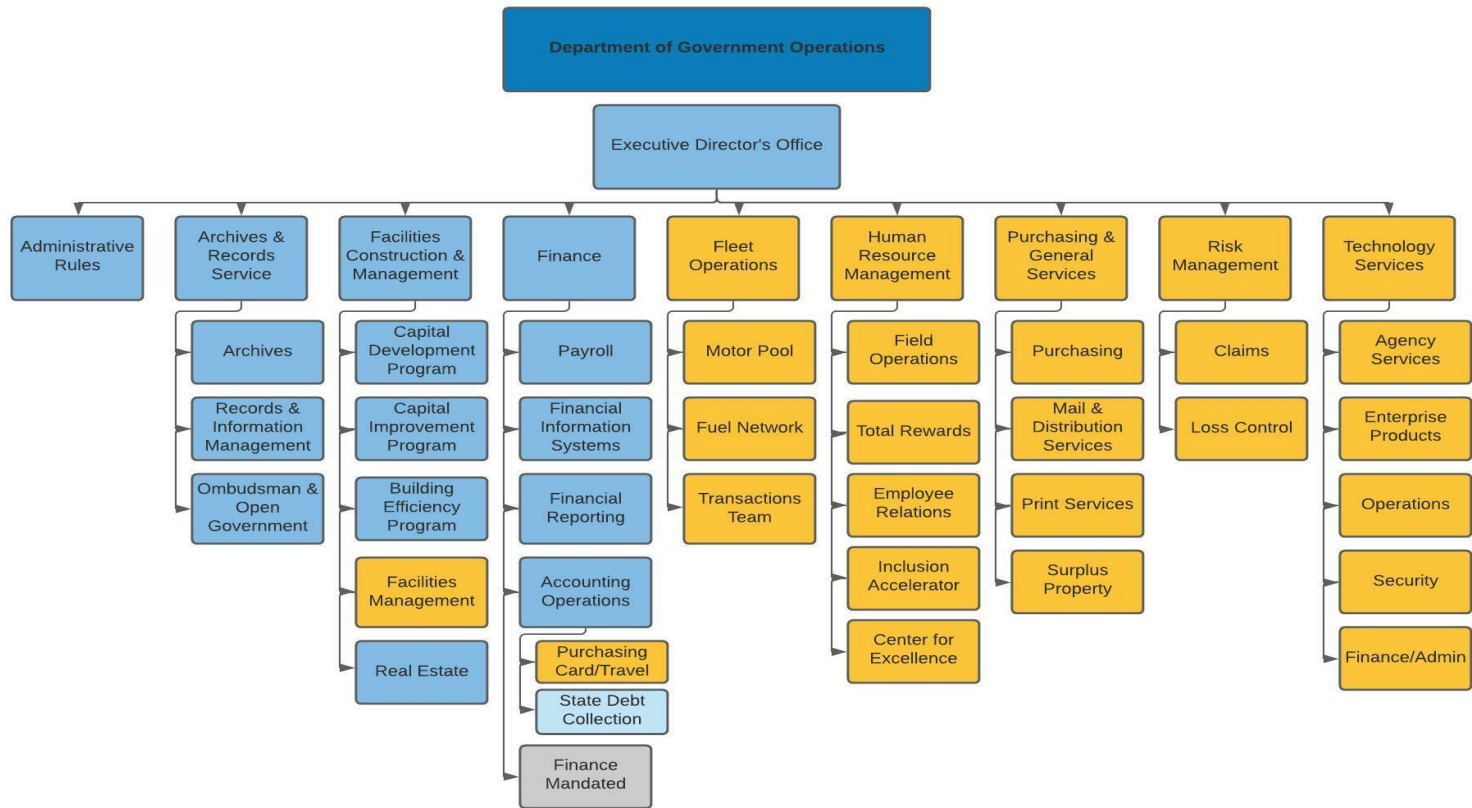
The Division of Technology Services provides innovative, secure, and cost-effective technology solutions that are convenient and empower our partner agencies to better serve the residents of Utah.

## Services:

- Networking
- Phone/Telcom
- Servers & Hosting
- Hardware & Software support
- Security
- Desktop Support
- State Geographic Information Database
- User Experience Design & Development







- Appropriated
- Internal Service Fund
- Special Fund
- Pass through

\*\*Within Technology Services, the CIO is appropriated  
 \*\*Approximately 25% of Purchasing's budget is appropriated

Not under DGO Supervision:  
 - Office of the Inspector General of Medicaid Services  
 - Independent Executive Branch Ethics Commission  
 - Political Subdivision Ethics Review Commission  
 - Judicial Conduct Commission





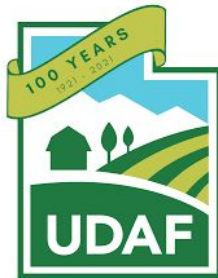
# Who We Serve



Utah Department of  
**Cultural & Community  
Engagement**



utah department of  
**human  
services**



Utah Governor's Office of  
Economic Opportunity



DEPARTMENT OF  
**WORKFORCE  
SERVICES**



# Why it Matters



16084  
Loca Piste Co Utah  
March 15 1889  
Tribute of Agreement  
Between the Indians Pogonels  
Bob and others owners by Deed of  
the East Lot of this Lake and the  
Town of Gragatum Company that  
We the above named Indians Do  
this Day Sell all our Right and title  
also all our aise and Rights to the  
said Gragatum Company  
to that we shall not be of this  
Lake for ever, for the consideration  
of  
3 Hing horses  
500 lbs of flour  
1000 lbs of sugar  
1000 lbs of oil  
1000 lbs of corn  
by us this Day signed of the  
Company - Gain own per  
sonal record  
hand in the  
house in front of  
Pogonels  
Bob  
Big M. H. H. H.  
Joe H. H. H.  
Home Blackman  
to the young  
Pogonels  
Bob  
Joanish  
quakout  
Don  
Joe  
Joe Head  
Shumant





# Performance Measures

Performance Measure Name	FY 2021		FY 2022	FY 2023
	Target	Results	Target	Target
<b>Administrative Rules</b>				
Days to review rule filings	6	2	4 or less	4 or less
Days from the effective date to publish final version of an administrative rule	20	42	14 or less	14 or less
<b>Division of Facilities Construction and Management</b>				
Capital improvement projects completed in the fiscal year they are funded	>85%	64%	>= 86%	>= 85%
Accuracy of Capital Budget Estimates (CBE)	5% +/-	8.07%	+/- 5%	5% +/-
<b>Executive Director's Office</b>				
Division and key program evaluations/audits	4	1	4 or more	4
Air quality improvement activities across state agencies	25	25	25	25
<b>Division of Finance</b>				
Close the fiscal year within 60 days of the end of the fiscal year		N/A	<= 60 days	<= 60 days
<b>Purchasing and General Services</b>				
Increase average discount on Utah best value cooperative contracts	0.4	34.18%	40%	40%
State of Utah best value cooperative contracts increase	1000	1,252	1,000	1,400
Spending on Utah best value cooperative contracts	\$600 million	\$ 1,000,000,000	\$600 million	\$900,000,000
<b>State Archives</b>				
Reformatted records that meet or exceed estimated completion date		N/A	80%	80%
Error-free reformatted records completed		N/A	90%	90%
Government employees receiving training and certified as a records officer	10% increase	1.29%	10% increase	N/A
Percent of government entity or political subdivision designated records officers certified as required by Utah Code 63G-2-	N/A	N/A	N/A	95%
<b>Division of Facilities Construction and Management - ISF</b>				
Maintenance costs per square foot as compared to the private sector	at least 18%	30.49%	>= 18% less	>= 18% less than the private market
<b>Division of Fleet Operations - Internal Service Fund - ISF</b>				
Improved EPA emission level for light-duty fleet	5 point reduction	1.46	1 mg/mile annually	0.5mg/mile reduction
Maintain financial solvency of the fleet	<30% of allowed debt	19%	<= 30% of allowed debt	30% or less of the allowable debt
Audit agency customers' mobility options	4 or above	6	4 or more	≥ 4
<b>Division of Risk Management - ISF</b>				
Life safety inspection follow-ups	100%	100%	100%	100%
Annual independent claims audit	>96%	99.88%	>= 96%	97.00%
Ensure liability fund reserves are actuarially sound	100%	100%	100%	100%
<b>Division of Human Resource Management - ISF</b>				
Ratio of DHRM staff to customer agency staff	39%	50.20%	39.2%	60%
Amount of operating expenses held in reserve	25 days	13.36	25 days	25 days
Customer agency satisfaction results	>91%	91%	91%	>91%
<b>DTS, Chief Information Officer</b>				
Data security systematic prioritization of high-risk areas	Score < 5,000	2,031	Score < 5,000	Score < 5,000
Customer satisfaction for application development projects	≥ 83%	85.55%	≥ 83%	≥ 83%
State employees receive computers in a timely manner	≥ 75%	74%	≥ 75%	≥ 75%
<b>DTS, Utah Geospatial Resource Center (UGRC)</b>				
AGRC availability	≥ 99.5% uptime	100%	≥ 99.5% uptime	≥ 99.5% uptime
Road centerline and addressing map data layer published monthly	≥ 120	195.00	≥ 120	at least 120 county-sourced updates including 50 updates from Utah's class I and II counties
Utah reference network GPS service availability	≥ 99.5% uptime	87.98%	≥ 99.5% uptime	≥ 99.5% uptime
<b>DTS, Enterprise Technology - ISF</b>				
Customer satisfaction for information technology services	≥ 4.5 out of 5 rating	5%	≥ 4.5 out of 5 rating	≥ 4.5 out of 5 rating
Agency application availability	≥ 99%	99.59%	≥ 99%	≥ 99%
DTS rates competitive or better with private market	100%	100%	100%	100%



# Challenges & Opportunities





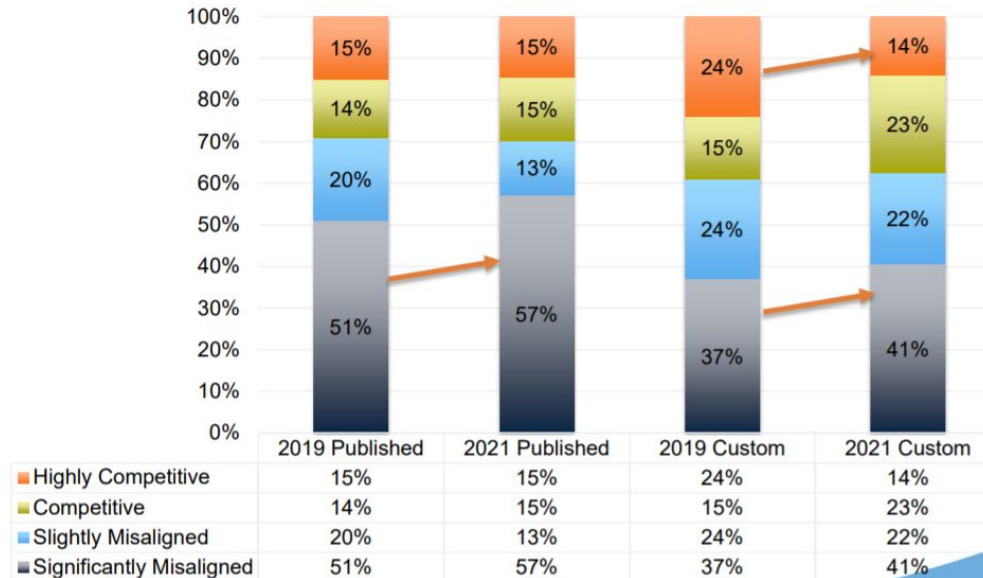
# Recruitment & Retention

## Findings and Analysis – 2021 vs. 2019

Gallagher

Insurance | Risk Management | Consulting

- For 2021, a higher percentage of jobs are significantly misaligned with the market median base pay in both the published and custom surveys.
- For the custom survey, there was a decrease in the percentage of positions that were highly competitive (24% down to 14%).



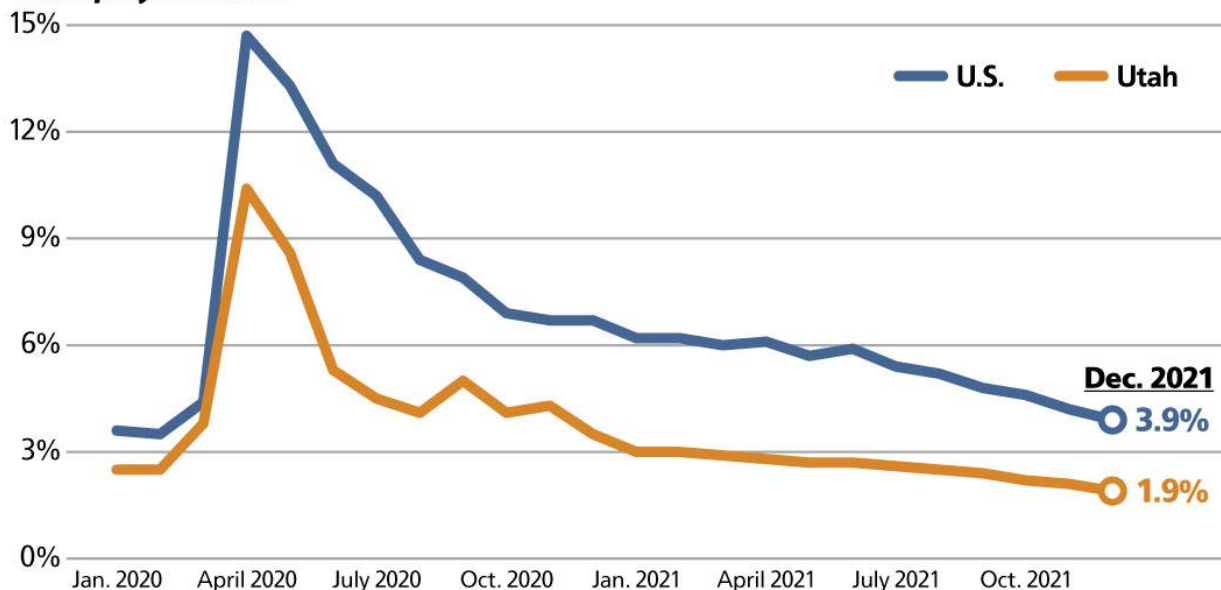


# Recruitment & Retention

## Utah's unemployment rate beats the U.S.

The Beehive State's jobless rate has been on a downward trajectory since early 2020, as its economic recovery continues to outpace the rest of the country.

### Unemployment rate



Source: U.S. Bureau of Labor Statistics

GRAPHIC BY CHRISTOPHER CHERRINGTON | The Salt Lake Tribune





# Recruitment & Retention

DGO employees = 315

Dept. of Government Operations			
Recommendation for Discretionary Performance-based Targeted Increases for Division of Finance Accountants			\$120,000
Recommendation for Discretionary Performance-based Targeted Increases*			\$1,642,800
<u>Classification Title</u>	<u>FTEs</u>	<u>Median Distance from Market</u>	<u>% Increase</u>
Accounting Technician III (Agency 100)	12	-15.0%	5.0%
General Services Technician II (Agency 100)	26	-15.9%	5.0%
Human Resources Analyst II (Agency 140)	34	-16.0%	5.0%
Human Resources Technician II (Agency 140)	21	-28.0%	10.0%
Information Technology Project Manager (Agency 110)	12	-24.1%	10.0%
Infrastructure Supervisor (Agency 110)	24	-20.3%	10.0%
IT Analyst I (Agency 100)	16	-19.0%	5.0%
IT Analyst III (Agency 110)	124	-15.7%	5.0%
Journey Maintenance/Construction Specialist (Agency 100)	35	-16.9%	5.0%
Program Manager (Agency 100)	4	-18.4%	5.0%
<i>*Includes all funding sources</i>			



# Outdated Technology

Quick3270 Secure - Session A - .No Title

File Edit View Session Transfer Macro Settings Windows Help

CLCS FIN CE LOAN MAINTENANCE Date: 01/14/22  
007/07 Note Details Time: 03:10 PM

Loan No **2013** Func I Adv S Borr Name DIAMOND VALLEY FIRE SSD

Note Date....: 12/19/19 Orig Term (Months): 189 Orig. Mat. Date : 10/01/35  
Int Pd to Dt.: 10/01/21 Extd Term (Months): 000 Extd. Mat. Date.: \_\_\_\_\_

Ln Struct.(1/2/4)..: 1 Cost Center.....: 5290 Administrator...: MBF  
G/L Type.....: 01 Office Code.....: 100 Officer.....: MBF  
Collateral Type....: \_\_\_\_\_ Serv/Assign.No...: \_\_\_\_\_ SIC Code.....: \_\_\_\_\_  
Note Type.....: INT Loan Purpose.....: \_\_\_\_\_ NAICS Code.....: \_\_\_\_\_

Revolving Loan.....: N Ret: Mthd (FPA)..: \_\_\_\_\_ Risk Rating.....: \_\_\_\_\_  
Budget Type (S/B/A): S Ret: Percent.....: 0.000 Risk Rating Date: \_\_\_\_\_  
Inspect Lvl (U/B/D): \_\_\_\_\_ <Retention Precision> Exam. Clas. Code: \_\_\_\_\_  
Allow NBF for IR...: N (D)ollar/(C)ent...: \_\_\_\_\_ Exam. Type Code.: \_\_\_\_\_  
Perm Financing(Y/N): \_\_\_\_\_ (R)ound /(T)runc.: \_\_\_\_\_ Exam. Date.....: \_\_\_\_\_  
Hold Disb Reqs(Y/N): \_\_\_\_\_ FRB Code.....: \_\_\_\_\_ Part. Purchase %: 0.000

Loan Flag (A/O)....: \_\_\_\_\_ Orig Loan No....: \_\_\_\_\_  
Secured Loan Ind...: \_\_\_\_\_ CL Reference....: \_\_\_\_\_ Primary Branch: \_\_\_\_\_

CLCS-00018 Input Loan Number and Function, then ENTER.

1.4 1:HLP 3:EXIT 5:RF 6:BL 7:BKWD 8:FWD 9:UL 12:MM

4B A 04/10

Connected to 168.179.255.3 NETB000 OVR CAP NUM

Quick3270 Secure - Session A - .No Title

File Edit View Session Transfer Macro Settings Windows Help

CLCS FIN CE C L C S Rel 4.0 Date: 01/14/22  
000/00 PROD Construction Main Menu Time: 03:09 PM

1. Loan Maintenance
3. Budget Maintenance
4. Scheduled Payment Maintenance
5. Fee Maintenance
6. Escrow Processing
7. Tickler Maintenance
8. Notepad Maintenance
9. Custom Data Maintenance
10. Disbursements
11. Customer Payments
12. Journals
13. Interest Accrual and Billing
14. Prior Period Processing
17. History Inquiry
18. Name and Address Maintenance
19. Borrower Profile Maintenance
22. System Utilities
23. Interest Indices and Rates
25. General Ledger Interface
26. Operational & Management Reports

Selection: \_\_\_\_\_ Bra/Div: CE COMMUNITY & ECONOMIC DEVELOP  
User Id.: FIBH Bank...: FIN DIVISION OF FINANCE  
Company: UTAH STATE OF UTAH

CLCS-00073 Enter valid menu selection number.

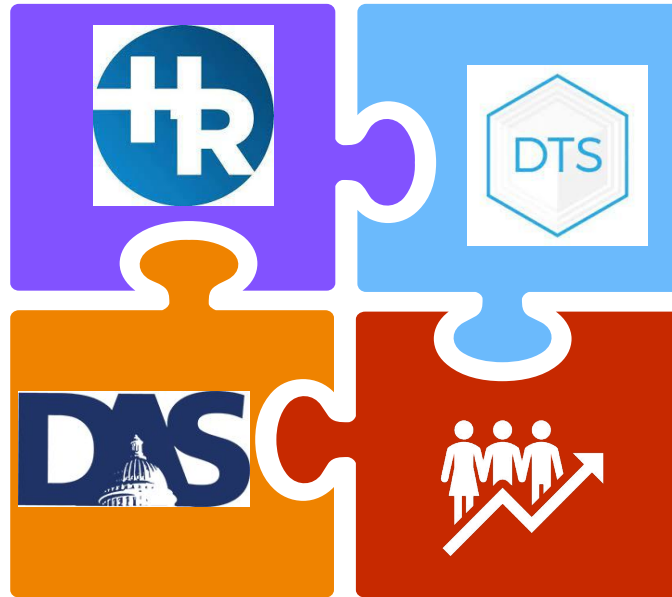
4B A 21/13

Connected to 168.179.255.3 NETB000 OVR CAP NUM





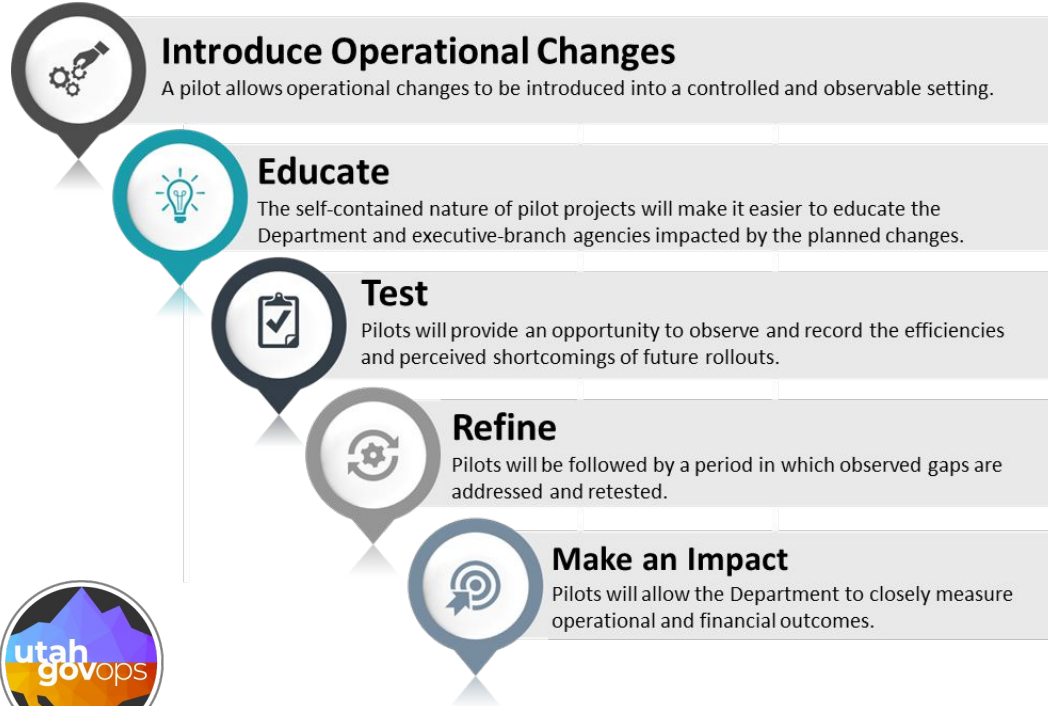
# Breaking Down Silos





# Operational Efficiencies - Pilot Projects

## The Benefits of a Pilot



Procurement



Onboarding



Pay-for-Performance



Strategic Support Groups



Contract Management



# Update on FY22 Funding





# Financial System Upgrade

## Completed tasks by 2022 Legislative Session Start

August - Cloud Environments Setup  
September to October - Project Kickoff Meetings

**September 13 - Payment Tracking System (PTS) Project  
GO-LIVE Successfully intergrated the State's Payment  
Tracking System into FINET**

October to December - Agency Discovery Sessions Completed  
Project Plans, Backlogs, Program Increment Planning (Phase 1) completed for the following areas:

Testing Team  
Training Team  
Functional Team  
Communications Team  
Organizational Change Management (OCM) Team  
Project Management Team

December - Project Website Published for Organization Change Management and Communications

## Upcoming tasks after 2022 Legislative Session Start

February to July - Program Increment (Phase 2)  
New Environment Design, Assess, & Refine (Container Updates)  
Old Environment Moratorium (only critical updates will be made)  
Ongoing Change Management and Communication activities going out to Agencies  
Iterative and Continuous Environment Testing  
Production Environment Ready  
User Acceptance Testing and Final Regression Testing Completed

July to October - Program Increment (Phase 3)  
User/Agency Training  
Operational and Agency Readiness Checks completed  
**October 1st - FINET Upgrade GO-LIVE (Cutover)**

October to December - Post GO-LIVE Support  
Annual Planning Begins for Fiscal Year 2024



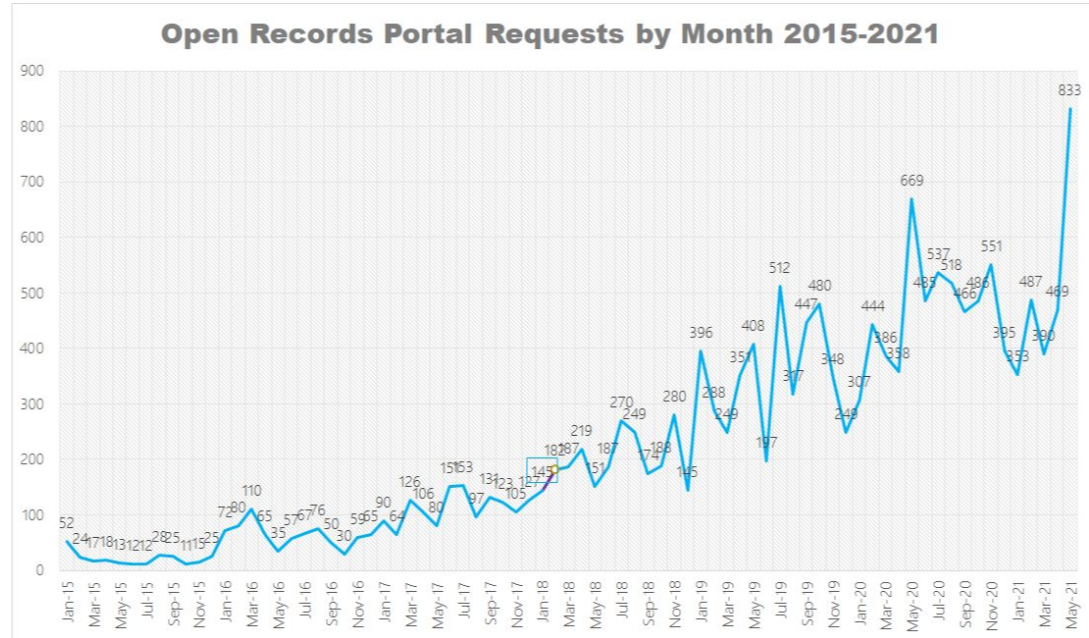


# Funding for ORP and PNW

Total Cost: \$180,000

- \$100,000 appropriation in 2021 session
- \$80,000 existing funds from Archives carry over savings

On track to be deployed July 1, 2022





# FY 2023 Base Budget , Adjustments & Non-Lapsing Funds





# DGO FY 2023 Base Budget

Program	Total Net Base Budget
Administrative Rules	\$ 700,000.00
Archives and Records Service	\$ 3,450,800.00
Executive Director's Office	\$ 1,803,900.00
Facilities Construction and Management - Administration	\$ 10,115,000.00
Facilities Construction and Management - ISF	\$ 39,692,500.00
Finance - Administration	\$ 14,673,900.00
Finance - ISF	\$ 703,500.00
Finance - Office of State Debt Collections	\$ 3,529,300.00
Fleet Operations - ISF	\$ 65,235,200.00
Human Resources Management	\$ 39,100.00
Human Resources Management - ISF	\$ 15,107,200.00
Purchasing - Administration	\$ 867,000.00
Purchasing and General Services - ISF	\$ 20,261,100.00
Risk Management - ISF	\$ 68,784,000.00
Technology Services - Chief Information Officer	\$ 738,200.00
Technology Services - Integrated Technology	\$ 3,513,900.00
Technology Services - ISF	\$ 139,422,200.00
<b>TOTAL</b>	<b>\$ 388,636,800.00</b>





# Non-Lapsing Intent Language

Division	Non-Lapsing	Details
DFCM Prison Project	\$25,000,000	If savings exceed \$110M, DFCM may transfer up to \$25M to the Capital Projects Fund for other capital developments projects
CIO	\$20,250,000	\$250,000 for rate study, IT initiatives and technology innovation programs \$20,000,000 for network enhancement, data security, and broadband
DFCM	\$1,700,000	\$1,500,000 for IT projects, customer service, optimization efficiency, and TL FTEs \$200,000 for Energy Program operations
Executive Director	\$250,000	\$85,000 for general operations \$50,000 for capital improvements/maintenance, software, and equipment \$50,000 for website maintenance \$25,000 for leadership training \$40,000 for internal auditing
Finance	\$3,400,000	\$2,650,000 for maintenance & operations of systems \$100,000 for websites \$150,000 for training \$200,000 for professional services & studies \$50,000 for computer replacement \$250,000 for federal funds accountability
Finance System	\$2,500,000	\$2,500,000 for upgrades to the statewide accounting system
Integrated Technology	\$600,000	\$175,000 for UGRC projects \$100,000 for Google imagery \$300,000 for GPS reference network upgrades & maintenance \$25,000 for Survey Monument Restoration grant obligations to local governments
Fleet	Entire balance	Capital outlay for vehicles not delivered by end of FY22
Archives	\$150,000	\$75,000 for electronic records management & preservation \$25,000 for records repository systems improvements \$50,000 for computer systems upgrades
DFCM Vehicles	Vehicle authorization	DFCM Internal Service Fund may add vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested.





# FY 2023 Budget Requests







# Utah Department of Government Operations

#1  
Department  
Finance  
Director

#2  
HCM  
System

#3  
Financial  
System  
Optimization

#4  
Citizen  
Portal

#5  
Travel and  
Expense  
Reporting  
System

#6  
State  
Accountant  
Retention &  
Recruitment

#7  
Enterprise  
Platform  
Teams

#8  
Department  
Internal  
Auditor

#9  
Performance  
Management  
System

#10  
Incentive to  
Move At-Will

#11  
Pay for  
Performance  
FTEs

#12  
UGRC Web  
Services  
Enhancements

#13  
Earthquake  
Insurance

Reallocation  
ISF Audit

Reallocation  
Loan  
Management  
System

Reallocation  
Property  
Fund  
Reserves

## FY23 Budget Presentation





# Executive Director's Office





# Executive Director's Office

## **FINANCE DIRECTOR - \$3,000 ONE TIME; \$20,000 ONGOING - GENERAL FUND**

- Single financial point of contact for customer concerns
- Dedicated support for smaller divisions
- Consolidated agency approach to internal service fund rates
- Transparent and simplified rates
- Reduction of overtime hours currently being expended by those employees trying to perform these functions now
- Increased customer satisfaction

## **INTERNAL AUDITOR - \$3,000 ONE TIME; \$14,000 ONGOING**

- Streamlining/consolidating existing siloed processes as three agencies become one
- Ensuring rates cover services but are also competitive
- Continual process improvement





# Division of Finance





# Financial System Optimization

## **\$1,764,300 ONE-TIME - GENERAL FUND**

- Configure and deploy system updates to incorporate the State's unique requirements
- Annual prioritization of projects with focus on implementing processes that benefit multiple agencies

### **Examples:**



Updating the Chart of Accounts for standard reporting across agencies



Enabling "Advantage Connect" for the state, which improves the system's integration capabilities



Migrating independent agency systems into functionality within the State's financial system



Integrating additional payments options, which would allow payments to be sent and received via applications like Zelle



Integrating fraud prevention services for warrants and ACH transactions



Implementing robotic process automation to automate manual financial processes



Preventing shadow systems and/or redundant applications





# Accountant Retention & Recruitment

## **\$120,000 ONGOING - GENERAL FUND**

Problem: Currently unable to hire and retain experienced accountants

- State accountants need to have extensive experience and knowledge related to government accounting principles
- Recruitments are being run 3-4 times without netting experienced accountants
- Lack of experienced accountants impacts the Division's ability to deliver required reports in a timely fashion and puts a strain on resources for year-end close

Solution: Increasing the pay ranges to attract qualified candidates allows us to:

- Prepare high quality financial reports
- Provide appropriate and accurate advice to agencies, GOPB, the Treasurer's Office, and the LFA
- Better ensure the State remains compliant with statutory and regulatory requirements





# Travel & Expense System

## **\$1,450,00 ONE-TIME - CAPITAL OUTLAY**

### Problems:

- Existing system currently requires highly manual, time-consuming, and inefficient processes to process travel reimbursements and p-card expense reporting
- Travel compliance must be regulated manually at the state agency level
- Lack of fraud controls with manual processes

### Solution:

- New system will automate the highly manual processes, thereby allowing agencies to redirect their resources to more important work
- Improved compliance with state policies, as much of that will be controlled with the system

### Funding - Retained earnings from p-card program



- \$250,000 - Implementation (\$125,000 FY22, \$125,000 FY23)
- \$1,200,000 - Three years of annual SaaS fees
- Will review rates to fund ongoing SaaS fees



## The ROI of a Connected Global Travel, Expense, and Invoice Solution



**650%**

Average three-year ROI



**5 months**

Average payback period



**78%**

Average travel planning time savings



**60%**

Average expense report time savings



**62%**

Average internal report and travel rule compliance increase



**30%**

More efficient accounts payable staff



Source: IDC White Paper | Empower Organizations to Digitally Transform Their, Expense, Travel and Invoicing Process

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3



# Travel & Expense System

## Highest Rebates (2019-2021)

- ▷ Department of Government Operations (\$77k)
- ▷ Utah Department of Transportation (\$25K)
- ▷ Utah State Board of Education (\$19k)
- ▷ Department of Natural Resources (\$19k)
- ▷ Department of Human Services (\$17k)





# Division of Risk Management





# Earthquake Insurance

**\$4,504,900 ONE-TIME, \$2,995,100 ONGOING - GENERAL FUND**

- State Risk Fund insures over \$43B of buildings and contents, \$29B concentrated among major fault lines
- Current sub-limits of \$525M
- One-time funding will start to replenish the reserve account to cover earthquake deductible of \$25M
- Ongoing funding will be used to increase sub-limits





# Reallocations





# ISF Audit

## **\$500,000 Reallocation from Division of Purchasing to Executive Director's Office**

- All ISFs are now in one department with the creation of the Department of Government Operations
- Stage agencies have asked for simplified billing with increased transparency
- A full external audit will be conducted to ensure that rates:
  - Cover the services being provided
  - Accurately reflect the cost of providing ISF services
  - Are competitive with private-sector solutions





# Loan Management System

## **\$1,360,000 Reallocation from OSDC to Division of Finance**

- The Division of Finance currently services over 3,000 loans for various state agencies
- Current loan system is a DOS-based system that does not support online payments, online access to loan information, or automated processes
- Funding will be used to purchase a new loan system with web capabilities that provide better transparency for borrowers, as well as automation of highly manual processes





# Property Fund Reserves

## **\$3,000,000 Reallocation from Workers Compensation Fund to Property Fund**

- Refund of \$3M issued to the State of Utah from Workers Compensation due to lower than anticipated claims during COVID
- Reallocation to the Property Fund to be added to reserves for property claim deductible payments





# Thank You!

Jenney Rees  
Executive Director  
jrees@utah.gov  
801-957-7171

Marilee Richins  
Deputy Executive Director  
mprichins@utah.gov  
801-957-7171

Christopher Hughes  
Deputy Executive Director  
chrishughes@utah.gov  
801-957-7171

Jake Hennessy  
Finance Director  
jakehennessy@utah.gov  
801-957-7171

